

**AGENDA**  
**Regular Meeting of the Governing Body of the**  
**Alameda Reuse and Redevelopment Authority**

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**Alameda City Hall  
Council Chamber, Room 390  
2263 Santa Clara Avenue  
Alameda, CA 94501**

**Wednesday, November 5, 2008  
Meeting will begin at 7:00 p.m.**

**1. ROLL CALL**

**2. CONSENT CALENDAR**

Consent Calendar items are considered routine and will be enacted, approved or adopted by one motion unless a request for removal for discussion or explanation is received from the Board or a member of the public.
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2-A. Approve the minutes of the Special Meeting of September 10, 2008.

2-B. Approve the minutes of the Regular Meeting of October 1, 2008.

2-C. Approve a Permanent Waiver of License Fees for Alameda Unified School District Student Activities.

2-D. Authorize Negotiation and Execution of a Sublease Renewal for Building 43 & Associates, Inc. at Alameda Point.

**3. REGULAR AGENDA ITEMS**

3-A. Alameda Point Update — Review and Comment on SunCal's Development Concept

**4. ORAL REPORTS**

4-A. Oral report from Member Matarrese, Restoration Advisory Board (RAB) representative.  
- Highlights of October 2 Alameda Point RAB Meeting.

**5. ORAL COMMUNICATIONS, NON-AGENDA (PUBLIC COMMENT)**

(Any person may address the governing body in regard to any matter over which the governing body has jurisdiction that is not on the agenda.)

**6. COMMUNICATIONS FROM THE GOVERNING BODY**

**7. ADJOURNMENT**

**This meeting will be cablecast live on channel 15.**

Notes:

- Sign language interpreters will be available on request. Please contact the ARRA Secretary at 749-5800 at least 72 hours before the meeting to request an interpreter.
- Accessible seating for persons with disabilities (including those using wheelchairs) is available.
- Minutes of the meeting are available in enlarged print.
- Audio tapes of the meeting are available for review at the ARRA offices upon request.

**UNAPPROVED**  
**MINUTES OF THE SPECIAL MEETING OF THE**  
**ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY**  
**Wednesday, September 10, 2008**

**2-A**

The meeting convened at 7:27 p.m. with Chair Johnson presiding.

**1. ROLL CALL**

Present: Chair Beverly Johnson  
Boardmember Doug deHaan  
Boardmember Frank Matarrese  
Boardmember Marie Gilmore  
Vice Chair Lena Tam

**2. CONSENT CALENDAR**

2-A. Approve the minutes of the Special Joint Meeting of the City Council, ARRA, and CIC of August 19, 2008.

**Approval of the Consent Calendar was motioned by Member Matarrese, seconded by Member deHaan and passed by the following voice votes: Ayes: 5, Noes: 0, Abstentions: 0.**

**3. REGULAR AGENDA ITEMS**

**3-A. Authorize PM Realty Group to Enter into a Contract with St. Francis Electric for Pier 2 Electrical Upgrades at Alameda Point for a contract not to exceed \$1,344,744.**

Leslie Little, Development Services Director, gave an overview of the item and discussed the Spring 2006 sublease of MARAD approved by the ARRA for 20 years for use of the piers at Alameda Point. Pier 2 is an older, unreliable facility, and doesn't comply with current standards. To upgrade to code, the underground transformers would need to be relocated above ground to meet Alameda Power & Telecom (AP&T) requirements. In January 2007, the ARRA approved design work for the electrical upgrade for Pier 2 improvements and the project was bid. A bid was received for \$1.7M for the project. The Board then directed staff to revise the project to reduce the total cost. Staff and MARAD worked closely with AP&T to revise the technical requirements to just upgrade the existing systems, which reduced the project cost significantly for the next bid. Three bids were received, with St. Francis Electric with the lowest bid at \$1.29M. Staff is requesting approval to add a 5% contingency with add-on alternative for concrete x-raying and independent testing for the Pier 2 Electrical upgrades, for a total cost not to exceed \$1,344,744.

Member Matarrese commented that the impact to the ARRA budget is that we are + \$400,000, and asked how much the ARRA owes to the City General Fund. Ms. Little replied that the ARRA has two loan obligations, 1) ARRA debt obligation of \$2.4M, and 2) the Alameda Point Improvement Project (APIP) of \$1.258M. Member Matarrese recommended it be considered that the \$400,000 be paid back to General Fund as part of a loan payment. Ms. Little explained that the ARRA currently carries that as an expenditure, and it would go back to the General Fund Reserve.

Staff and the Board discussed the ARRA lease revenues, and how they are not sufficient to cover expenditures in totality. Member Gilmore asked whether there were any other large capital

projects that were going out for bid on this year. Ms. Little replied that the last roof repair project was finished, as well as the preliminary assessment of the pier conditions, and that work will be scheduled to start the piling and pier replacements. The greatest issue is that there are old systems at Alameda Point – if there were a water or sewer problem or other major activity, we need cash on hand to resolve those issues.

Member Matarrese expressed his concern that we're funding infrastructure that doesn't belong to us, the City doesn't own the property, it still belongs to Navy. We're adding value to what the Navy is putting a high price tag on. He stated that he would much rather put that money toward unfunded liabilities of General Fund services. Member Gilmore agreed, stating that, in theory, should we have a major system malfunction, there are tenants that pay to cover these issues. There should be a balance while we're in a holding position with the Navy.

**Vice Chair Tam motioned for approval of the Contract with St. Francis Electric, the motion was seconded by Member deHaan and passed by the following voice votes: Ayes: 5, Noes: 0, Abstentions: 0**

### **3-B. Alameda Point Update – Presentation of the Draft Development Concept.**

Debbie Potter, Base Reuse and Community Development Manager, introduced Pat Keliher and Peter Calthorpe, Urban Designer, who presented a powerpoint presentation of the draft development concept to the Board and public. The presentation can be viewed at [www.alamedapointcommunity.com](http://www.alamedapointcommunity.com). After the presentation, Chair Johnson opened the item to the Boardmembers for discussion. Member Matarrese asked if both plans assume a \$108M payment to the Navy, to which Ms. Potter replied, "yes."

Member Gilmore asked Mr. Calthorpe for more specific information regarding his comment on the importance of phasing the transportation enhancements so housing could keep pace with the capacity in the tube, asking if it can work, and when we will know. Pat Keliher, SunCal's Alameda Point Project Manager, explained that Fehr & Peers, their Transportation Consultant, is doing a detailed study on the traffic improvements and what the triggers are for the enhancements. Mr. Keliher further stated that there is \$90M worth of traffic improvements up to the 4000 unit threshold, and that Fehr & Peers plan to have a public meeting focused specifically on the transportation issues.

Chair Johnson asked if the Sports Complex will be part of the SunCal Presentation, to which Mr. Keliher replied, "yes." He said that the Business Plan will include the commercial and retail assumptions. Mr. Calthorpe added that the core area has to be built last, that a Main Street environment cannot be built until the retail demand is in place.

Chair Johnson opened discussion to the public speakers. There were several speakers, most of whom were in favor of supporting SunCal's plan. The ones that were not in favor of the SunCal plan were concerned about the density of proposed mid-rise (12-20 story residential units), non-Measure A compliance, and transportation issues.

Member deHaan requested Mr. Keliher verify that the density of Alameda on the west end, specifically the Summer Homes, was 30 units per acre and three-stories high. His concern regarding the density was the Tube traffic and the alternative of bringing the bus service through the Tube. Mr. Keliher assured member deHaan that all these details are currently being vetted out with Fehr & Peers and will be presented at their public meeting. Ms. Potter further explained that there is always only going to be two lanes in the tube, and what one of the alternatives is, is for a queue-jump lane for the bus, which doesn't require additional lanes. The queue-jump lane

gives priority to the buses and encourages increased ridership. Mr. Keliher added that all questions will be answered between the concept plan submittal and master plan submittal, and that the transportation solution is a driving factor.

Member Gilmore requested a meeting before the City Council which is focused on transportation issues be part of SunCal's presentation schedule. Mr. Keliher affirmed her request. Member Gilmore further discussed that the two plans are not Measure A compliant, and asked what SunCal's plan was if the citizens were to reject their proposals. Mr. Keliher responded by saying that they have no magic Measure A plan that could be financed, and there is no third alternative, they would have to start over. Member Gilmore appreciated his honesty on the matter.

Member Matarrese addressed the transportation issue regarding commercial traffic – truck routes, etc., and asked whether there was going to be a recommendation from the Transportation Commission. Ms. Potter explained that the plan is to route the Development Concept to all the boards and commissions for review and comment. Member Gilmore requested that the school year commute traffic also be addressed.

Member Matarrese requested to see a commercial and industrial component of the plan, to be examined with the same depth, what might be envisioned, and what are some of the plans to bring the commercial and businesses in. He further discussed that Alameda does not have a large commercial tax base. Economically, the tax burden is spread and residential tax payers are shouldering the main load and maybe are at capacity. He would like to know the best mix of commercial and how we might attract commercial business.

Vice Chair Tam discussed the importance of their role (as the ARRA Board) for the long-term in guiding and approving a Development Plan that future councils and the community can adaptively react to, manage, and govern under different challenges; as this plan will manifest beyond the time that they're on this Board. She stated it is important to focus on the vision and the core principles incorporated in the General plan, as they will all be pertinent 15 years later. Chair Johnson thanked Pat and SunCal for doing a good job of working with the community and being forthright with them. It's a difficult challenge and she appreciates all their efforts.

Member deHaan asked about the Fed-to-fed transfer to the VA of some of the property. Mr. Keliher replied that SunCal has to assume the potential impacts of the VA hospital whether it happens or not, stating that it devalues the other phases. They would work hand-in-hand with the VA, making certain that the infrastructure and traffic impacts are taken in consideration. For example, a VA Hospital is a 24/7 facilities hospital, it doesn't operate just during peak hours, so when the traffic element is applied, it's another challenge. Member Matarrese requested dollar figures attached to any reports on the this issues, stating that if the plan is for a Fed-to-Fed transfer, then that cost should be shaved-off the \$108M price for the impacts caused by the remaining federal land.

#### **4. ORAL REPORTS**

##### **4-A. Oral report from Member Matarrese, Restoration Advisory Board (RAB) representative.**

##### **- RAB Comment Letter Regarding Installation Remediation Site 1**

Member Matarrese wasn't able to attend last meeting, but received communication, a letter, from Co-chair, George Humphreys, regarding the Site 1 remediation plan and Record of Decision (ROD) which raised a lot of questions. The ARRA board took the position that they would not accept uncharacterized landfill from Site 1, which was supposed to be scooped and removed

after characterization. Mr. Humphreys provided a summary of his letter and discussed some of the technical details, highlighting the deficiencies in the Navy's proposed plan to remediate Site 1.

Mr. Humphreys explained that his letter is straightforward, stating that Site 1 has been releasing contaminants to the bay for a number of decades and deficiencies in the site need to be remedied. There is uncharacterized industrial-type waste that could be released in event of earthquakes, shoreline erosion, inundation by global warming, and by burrowing animals. The City asked for trenching, with the stated objectives to verify there weren't any intact drums. The trenching report showed that, of the 11 trenches the Navy identified, seven of them showed levels of radioactive contamination. It was concluded that the radium contamination is widespread and scattered. He said a letter was sent from the Navy to the environmental agencies proposing to move portions of Site I to Site 32, to shrink site 1, because they had found radioactive waste deeper. He also described photos of liquefaction and sand boils during the Loma Prieta earthquake, which he explained was a mechanism of how contaminated waste could be released in the future, if left in place.

Member Matarrese reiterated that we have expertise on this board and commended the RAB for taking a vote, making a stand and bringing these issues to light. He had two key concerns; first that the material found was not ordinary household waste, rather, it is industrial waste plus radioactive, which appears to be pervasive. It seems the Navy glossed over this in their proposed plan. Secondly, Member Matarrese commented that it was disturbing that the plan was to excavate some of the radioactive material and just bury it on another part of Alameda Point. He requested the Board get a technical recommendation corroborating this report so that the ARRA can take a position with the Navy and the regulators that what is proposed is not acceptable. David Brandt, Deputy Executive Director, said that staff would have something by the next ARRA meeting.

Debbie Potter, in response to Member Matarrese's concern about the waste being relocated, clarified the process. She explained that, at the request of the City, additional trenching was done which identified more radioactive materials than anticipated. The Navy conducted a time-critical removal of hot spots at Site 1, and proposed to move some of the remaining fill to Site 32. The plan was to grow Site 32, continue to test and modify boundaries so that Site 1 boundaries no longer included radioactive material. All this would trigger a brand new public process for comment, new proposed plans, and provide input on how it should be remediated.

Member Matarrese viewed the relocation plan as a stall tactic and stated that the Navy should be forced to remove the waste to a secure facility. Ms. Potter stated that the Navy will remove all radioactive waste. Member Matarrese questioned why, if it were safe, does it have to be moved and buried. Ms. Potter explained that it was her understanding that they are moving it in order to excavate along the shoreline to address seismic issues. Dale Smith, RAB member, added that the materials being moved were hazardous, but not radioactive. Chair Johnson stated that she generally doesn't like the idea of moving the waste to another site, even if it's not contaminated. Mr. Humphreys added that a key point is that there was no sampling of the soil inside that cell area, which would determine if there were any non-radioactive materials (i.e., PCBs, heavy metals, etc.).

The Board requested that Peter Russell, Alameda Point's environmental consultant, provide a technical analysis of the materials from the RAB regarding Site 1, a written report of highlights after every RAB meeting, and his analysis on Navy documents he's reviewed.

**5. ORAL COMMUNICATIONS, NON-AGENDA (PUBLIC COMMENT)**

(Any person may address the governing body in regard to any matter over which the governing body has jurisdiction that is not on the agenda.)

There was one speaker, Bill Smith, who spoke about various topics.

**6. COMMUNICATIONS FROM THE GOVERNING BODY**

Vice Chair Tam informed the other Members that Michael Park from the Alameda Theater would like to schedule a re-shoot of the Council Members for his film that previews movies, because of construction noise in the background.

**7. ADJOURNMENT**

**Meeting was adjourned at 11:22 p.m. by Chair Johnson.**

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Irma Glidden", with a long, sweeping horizontal line extending to the right.

Irma Glidden  
ARRA Secretary

**UNAPPROVED**  
**MINUTES OF THE REGULAR MEETING OF THE**  
**ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY**  
**Wednesday, October 1, 2008**

**2-B**

The meeting convened at 7:36 p.m. with Chair Johnson presiding.

**1. ROLL CALL**

Present: Chair Beverly Johnson  
Boardmember Doug deHaan  
Boardmember Frank Matarrese  
Boardmember Marie Gilmore  
Vice Chair Lena Tam

**2. CONSENT CALENDAR**

2-A. Authorize Execution of a No-Cost Sublease for Alameda Development Corporation at Alameda Point.

**Member Gilmore motioned approval of the Consent Calendar, seconded by Member Tam, and passed by the following voice votes: Ayes – 5, Noes – 0, Abstentions – 0.**

**3. REGULAR AGENDA ITEMS**

**3-A. Approve the Executive Director's Recommendation Regarding Disposition of the Notices of Interest for the Homeless Accommodation/Public Benefit Conveyances for the North Housing Parcel and Authorize the Executive Director to Negotiate the Required Legally Binding Agreement**

Debbie Potter, Base Reuse and Community Development Manager, gave a brief overview of the item, stating that in November 2007, the Navy declared the North Housing Parcel, an additional 42 acre parcel, as surplus. The ARRA, as the Local Reuse Authority (LRA) is charged with conducting the federal screening process, a mandated step before the Navy can dispose of property. Three Notice of Interests (NOIs) and two requests for Public Benefit Conveyances (PBCs) were reviewed in early September. The NOIs were analyzed against a number of criteria including what project was being proposed, how well the project met unidentified needs of homeless needs assessment, financial feasibility, and the organization's capacity to carry out the project. One NOI from the East Bay Asian Local Development Corporation (EBALDC), didn't meet the threshold requirement and was notified that they did not meet screening process. Of the remaining two NOIs, the evaluation committee does not recommend moving forward with the NOI received from Alameda Point Collaborative (APC) and Building Futures with Women and Children (BFWC), to provide location for the Midway Shelter, in the event it loses it's lease where currently located. There is a path forward to working with Navy on the existing location of the shelter, which the Navy has committed to in writing to retain midway shelter in current location. Also, the 42-acre site was not an appropriate location for a multi-service center, which should be in central location accessible by public transit.

The committee is recommending the NOI received from the City Housing Authority, APC, and BFWC for 120 units of permanent supportive housing for formerly homeless people, with the recommendation to move forward at 90 units rather than 120 units.



The two PBCs received were from the City's Recreation and Park department and from Habitat for Humanity for self-help housing. We are recommending the PBC from Rec and Park, and will indicate our support for Habitat for Humanity for 20 to 30 units of self-help housing. The Habitat for Humanity PBC is approved by the federal housing agency, HUD; and the Department of Interior would approve the Rec and Park PBC.

The next step is to begin negotiating a Legally Binding Agreement (LBA). The LBA is an agreement document that goes forward to HUD, along with our amendment to the Community Reuse Plan (Reuse Plan), HUD reviews the Reuse Plan and makes the ultimate determination of how well it meets the needs of homeless accommodation. We are scheduling two community meetings in November, on the 3<sup>rd</sup> with the Planning Board, and on Nov. 24<sup>th</sup> on the amendment to the Reuse Plan, and draft LBA at its Dec. 3 meeting. The statutory requirement is to get everything to HUD in December.

Member Matarrese asked how HUD weighs different factors during their evaluation of the proposals. Ms. Potter explained that typically, the screening process regulations are broadly drafted in order to give local jurisdictions a lot of leeway and opportunity for the Reuse Plan to meet their needs. What they are looking for is a balance of homeless accommodation, and what they call "other community goals", in terms of job generation, economic development, housing, and open space. Member Matarrese asked if there is a previous process which we were involved in. Ms. Potter replied that the 1996 Community Reuse Plan was the last time we were involved in that process. Member Matarrese informed staff and the Board that he just received a letter from the Department of Toxic Substances Control (DTSC) regarding the remediation of site where the Midway Shelter is located. The letter informed of DTSC's plan to evaluate the impact of removing viscous material and widespread contaminated material from that site. Staff will follow-up.

Chair Johnson called public speakers. Doug Biggs, Interim Executive Director of the APC spoke in support of the city's recommendation. He discussed the homelessness crisis in today's economy. Liz Varela, Executive Director of the BFWC, supports Doug Bigg's comments, and appreciates the City's recommendation on the BFWC NOI and its efforts of relocating the Midway Shelter.

Member deHaan asked staff to give a background on the remediation requirements and how the Navy is going to address that. Ms. Potter explained that the south east corner of the North Housing parcel, there is a plume which extends to that area and will be remediated. The Navy has started remediation of the plume, and we made it clear when we put out the request that there is an environmental issue. None of the proposals we received asked for property anywhere near that site. There has been prior time-critical removal that has all been completed. Ms. Potter added that there was no removal under hardscapes or roads, so anyone who will develop that site has to take that in consideration.

Member Matarrese expressed concern that we should not move forward where uncalculated liability for any unremediated land is passed on to any future to non-profit.

**Member Matarrese motioned to provide direction that in the Community Reuse Plan and in the negotiations of the LBA we include disclosure of significant liability of uncharacterized contamination under hardscape and contamination beyond two feet, and that we have these LBAs come back to ARRA. The motion was seconded by Member deHaan and passed by the following voice votes: Ayes – 5, Noes – 0, Abstentions – 0.**

### **3-B. Report on Restoration Advisory Board Comment Letter on Installation Restoration Site 1.**

Ms. Potter summarized that at the ARRA meeting on September 10, the Board received several letters regarding Site 1. Staff was directed to work with the environmental consultant, Dr. Peter Russell, to prepare a response to RAB letters. The ARRA's position is that land fill should be dug up and hauled off, this position has been consistent during the public comment process, which is not concluded. A final draft Record of Decision (ROD) is due on Oct. 28th, which will give us further opportunity to provide comments on the final draft ROD. However, as all of this work has been going on, the results of the additional trenching did not reveal waste, so the sense is that there is no longer a landfill at Site 1. We would like to send a letter to the Navy requesting they do a little more work to determine whether a land fill is still present at Site 1. The Navy began remediation on groundwater contamination.

Member Matarrese reminded staff that the original concern expressed was, not that there was a landfill, but that it was uncharacterized and unknown. He wants to make sure all contaminated materials are removed, and inert ones remain in place. Ms. Potter stated that we must go through the CERCLA process, and that the time-critical removal was for the material down to two feet. Member Matarrese asked how Site 1 could be closed if there is still objectionable material there. Ms. Potter responded by stating that the work effort and investigation as part of IR Site 32 work includes going further than two feet, and the moving of the materials allows the changing of the boundaries of the IR sites and what they are studying. Member Matarrese would like a risk assessment provided to the City with anticipated development in mind – to build a case for the ultimate price tag for the property, i.e., if the property goes to auction, the contamination status would affect the price.

There were two speakers on this item. James Leach, RAB member for 9 years, is there voluntarily because they are experts and have done clean-up and provide oversight to a high degree. George Humphreys, Co-Chair of the RAB, commented on Dr. Russell's evaluation of the Site 1 issue.

**Member Matarrese motioned to accept the report with future reports to include a risk assessment of the significant issues being discussed from a technical standpoint. The motion was seconded by Member deHaan and passed by the following voice votes: Ayes – 5, Noes – 0, Abstentions – 0.**

Ms. Potter discussed two additional recommendations included in the staff report; first was the request for authorization to request that the Navy further explore issue of whether there is still a landfill, and second, that staff be given authorization to prepare and send a letter on the draft final ROD. Since there is no opportunity to provide back to ARRA before it's sent, Member Matarrese suggested it come back to the Board at a the second Council meeting in November (November 18).

**Member Matarrese motioned to approve the two additional recommendations, seconded by Member deHaan and passed by the following voice votes: Ayes – 5, Noes – 0, Abstentions – 0.**

## **4. ORAL REPORTS**

**4-A. Oral report from Member Matarrese, Restoration Advisory Board (RAB) representative.**

**- Highlights of September 4 Alameda Point RAB Meeting.**

Member Matarrese stated that the next RAB meeting is tomorrow night and the minutes from the last meeting have been presented.

**5. ORAL COMMUNICATIONS, NON-AGENDA (PUBLIC COMMENT)**

(Any person may address the governing body in regard to any matter over which the governing body has jurisdiction that is not on the agenda.)

There was one speaker, Bill Smith, who spoke about various topics.

**6. COMMUNICATIONS FROM THE GOVERNING BODY**

Member deHaan asked if there was an update on the GSA property behind Foster Freeze. Ms. Potter informed him that staff will get an update and provide it to the City Manager as an Off-Agenda item.

Member Matarrese stated that the Board has received a stack of documents from SunCal, but has not seen a document that fits the description of a Business Plan. He requested that staff ask SunCal for a business plan. David Brandt, Deputy Executive Director, affirmed Member Matarrese's request.

**7. ADJOURNMENT**

**Meeting was adjourned at 9:12 p.m. by Chair Johnson.**

Respectfully submitted,

A handwritten signature in cursive script that reads "Irma Glidden".

Irma Glidden  
ARRA Secretary

*Alameda Reuse and Redevelopment Authority*  
Interoffice Memorandum

2-C

November 5, 2008

**TO:** Honorable Chair and Members of the  
Alameda Reuse and Redevelopment Authority

**FROM:** Debra Kurita, Executive Director

**SUBJ:** Approve a Permanent Waiver of License Fees for Alameda Unified School  
District Student Activities

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BACKGROUND

For the past several years, Alameda High School has needed space in an available Alameda Point building for the preparation of both its annual "Homecoming" float and Grad Night sets. If a building is available, the request has been accommodated.

DISCUSSION

Since the High School regularly makes the request for the hangars and fee waivers, staff is seeking approval of a permanent automatic waiver for both Homecoming and Grad Night activities, if a building is available. The School District will provide the required insurance and comply with all regulations when occupying Alameda Point building.

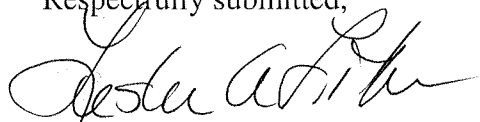
BUDGET CONSIDERATION/FINANCIAL IMPACT

The license fee for this type of event is \$1,000 per day. The average use for Homecoming is five days, and the average use for Grad Night is approximately 150 days.

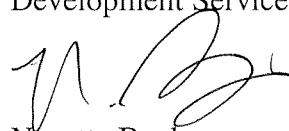
RECOMMENDATION

Approve the waiver of the license fees for Alameda Unified School District student activities.

Respectfully submitted,



Leslie Little  
Development Services Director



By: Nanette Banks  
Finance & Administration Manager

*Alameda Reuse and Redevelopment Authority*  
Interoffice Memorandum

2-D

November 5, 2008

**TO:** Honorable Chair and Members of the  
Alameda Reuse and Redevelopment Authority

**FROM:** Debra Kurita, Executive Director

**SUBJ:** Authorize Negotiation and Execution of a Sublease Renewal for Building 43 &  
Associates, Inc. at Alameda Point

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BACKGROUND

The Alameda Reuse and Redevelopment Authority (ARRA) governing Board approves all Alameda Point subleases with a lease term greater than one year. The proposed sublease for Building 43 & Associates, Inc. is for five years.

DISCUSSION

Attachment A describes the business terms for the proposed sublease for Building 43 & Associates, Inc. in a portion of Building 43. The rent for Building 43 & Associates, Inc. is \$23,820 annually, or \$0.3803 per sq. ft. in the first year. There is a 3% increase each year in the subsequent years. The building will continue to be used for light manufacturing and office. Building 43 is in poor to fair condition.

In accordance with the Exclusive Negotiating Agreement between the ARRA and SunCal Companies, this lease has been discussed with representatives from SunCal Companies and has their concurrence.

BUDGET CONSIDERATION / FINANCIAL IMPACT

This lease will generate \$23,820 in the first year. These funds will be retained by the ARRA.

RECOMMENDATION

Authorize negotiation and execution of a sublease for Building 43 & Associates, Inc. at Alameda Point.

Respectfully submitted,



Leslie Little  
Development Services Director

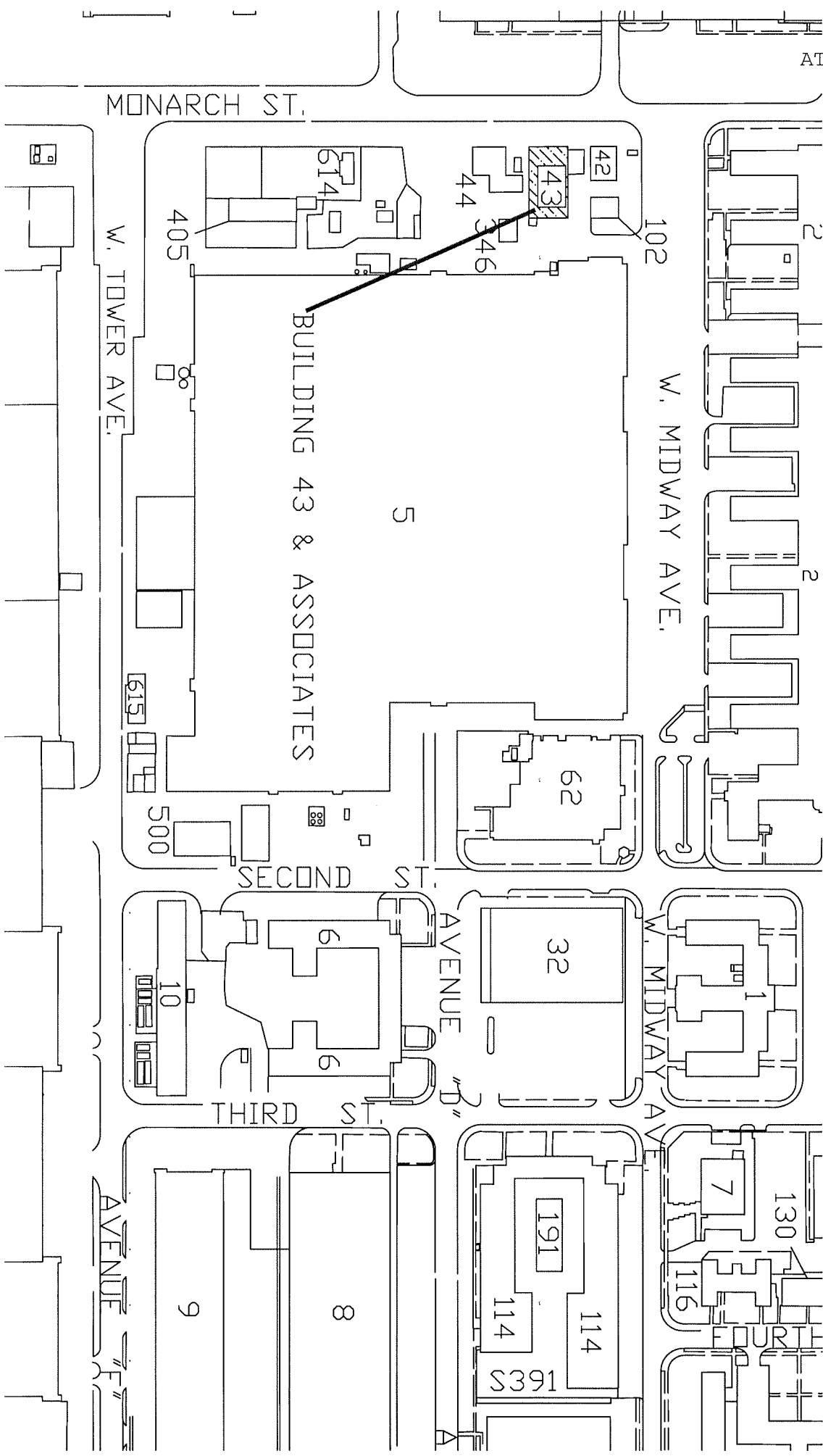


By: Nanette Banks  
Finance & Administration Manager

Attachment: A. Proposed Sublease Business Terms  
B. Site Map

ATTACHMENT A  
PROPOSED SUBLEASE BUSINESS TERMS

TENANT	BUILDING	SIZE (SF)	TERM	RENT
Building 43 & Associates, Inc.	43	5,220	5 yrs	\$1,985/mo.





**Alameda Reuse and Redevelopment Authority**  
Memorandum

To: Honorable Chair and Members of the  
Alameda Reuse and Redevelopment Authority

From: Debra Kurita  
Executive Director

Date: November 5, 2008

Re: Alameda Point Update – Review and Comment on SunCal’s September 19,  
2008 Development Concept

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**BACKGROUND**

In July 2007, the Alameda Reuse and Redevelopment Authority (ARRA), Community Improvement Commission (CIC), and City (together Alameda) entered into an Exclusive Negotiation Agreement (ENA) with SCC Alameda Point LLC (SunCal) to secure the required land use entitlements to redevelop Alameda Point. The ENA identifies a number of mandatory performance milestones necessary to complete the entitlement process during the ENA term, including the preparation of a Development Concept. SunCal submitted this document, along with a draft Business Plan, draft Sports Complex Master Plan Update, and Infrastructure Plan, on September 19, 2008. Alameda issued a press release notifying the public that the documents were received and were available for review on-line at [www.alameda-point.com](http://www.alameda-point.com) and at the Alameda Free Library. The September 19 submittal was also provided to the ARRA Board at that time.

In addition to making the documents available to the public, SunCal presented its Development Concept to eight boards and commissions during the month of October. Both Alameda and SunCal advertised these meetings. Staff also completed its preliminary review of the Development Concept. The November 5 ARRA meeting is an opportunity for the ARRA to provide feedback on the Development Concept and to review and comment on input received from the boards and commissions. No action is required.

Following the ARRA meeting, SunCal will evaluate all of the comments received and prepare its draft Master Plan, final Sports Complex Master Plan Update, and final Business Plan. Completion of these documents is a mandatory milestone under the ENA. The draft master plan and related documents are due to Alameda on December 19, 2008.

**DISCUSSION**

The following is a summary of the comments received from the boards and commissions.

Historical Advisory Board – October 2, 2008

Staff requested that the Historical Advisory Board review and comment on the historic preservation and adaptive reuse components of the Development Concept. The following comments were transmitted from the public or individual board members:

- Support was expressed for SunCal's decision to preserve the Bachelors Officers Quarters and the "Big Whites".
- Concerns were expressed about the loss of four of the five Seaplane Hangers; Building 8, which is in the "Shops Area"; Building 19 (the Control Tower Building); and the small boathouse (Building 15).
- Demolition of buildings in later phases should be delayed as long as possible or until such time that the development of that phase is ready to move forward to provide additional time for market conditions to adjust. Such delay of demolition might provide new opportunities to feasibly reuse buildings.
- A "range of building types" should be preserved at Alameda Point.
- There was a discussion about the implications of a future National Register Nomination for the Historic District if large portions of the District were to be removed by the development.

Library Board - October 8, 2008

The Library Board provided comments and direction regarding the need for library services and facilities at Alameda Point to serve the Alameda Point development and/or the west end of Alameda. Specifically, the Board stated that:

- There was a documented need for library facilities within the west end of Alameda.
- Approximately 15,500 square feet would be needed for a new library that could also accommodate a literacy program for west end residents.
- The facility should be located adjacent to the neighborhoods and other civic uses.
- There might be opportunities to do a "joint use" library facility with the proposed school at Alameda Point.
- Reuse of one of the historic buildings might be possible, but the technological requirements for a modern library may make adaptive reuse of an historic building cost prohibitive relative to building a new library.

Recreation and Park Commission - October 9, 2008

This meeting provided an opportunity for the Recreation and Park Commission and the community to focus on the open space and recreational proposals in the Development Concept and the draft Sports Complex Master Plan Update. The Commission provided the following comments:

- The plans for the Sports Complex and the open space and parks were well received by the Recreation and Park Commission, with several members expressing positive reactions to the proposed plans.
- Given the weather conditions at Alameda Point, consideration should be given to enclosing all or portions of the swim center within the Sports Complex.

- There should also be serious consideration given to strategies that create energy efficient buildings. For example, the swim center will require large amounts of energy. Solar panels or other clean energy strategies should be considered to reduce the carbon footprint of the facility.
- The Sports Complex should include a stage or similar facility or structure that could be used for individual or group “performance” sports such as cheerleading.
- There might be opportunities and cost benefits to co-locating the proposed school sites with the proposed open spaces.
- Drought tolerant and “bay friendly” landscaping should be used to the maximum extent possible in all the open space and park facilities.
- Open spaces, parks, and the Sports Complex should be phased in with each phase of the development, beginning with the first phase.

#### Housing Commission - October 15, 2008

At this meeting, staff requested that the Housing Commission review and comment on the housing proposals and strategies. The Commission made the following comments:

- The plans for a diversity of housing types and affordability levels were well received by the Commission, with several members expressing positive reactions to the housing proposals and the Development Concept as a whole.
- Drought tolerant and “bay friendly” landscaping should be used to the maximum extent possible throughout the plan area.
- The paragraph in the introduction of the Development Concept that talks about “skyrocketing housing prices” in the Bay Area should be updated to reflect current economic conditions.
- The scale and location of the commercial buildings proposed along Main Street should be carefully considered to ensure compatibility with existing developments across Main Street, which include a Housing Authority property.
- The Housing Commission is willing and available to provide additional comments and suggestions as the plans become more definitive and more detailed regarding housing types, the location of affordable housing, and the juxtaposition of new and existing development.

#### Economic Development Commission - October 16, 2008

Staff requested that the Economic Development Commission (EDC) review and comment on the economic development, jobs, and commercial development proposals in the Development Concept Plan. The EDC provided the following feedback:

- Commissioners expressed concern about focusing on a large single user for commercial space and the project’s financial vulnerability in the event such a user would close its campus.
- SunCal was encouraged to plan carefully for the mix of uses and ensure that the range of uses was well integrated (e.g., children at play, retail traffic, residential neighborhoods, commercial activity, etc.)
- Commissioners noted that analysis of historic preservation/adaptive reuse costs would be very important to understanding overall project feasibility.

- The Development Concept assumes one job for 300 square feet of commercial development. What is Alameda's existing jobs per square foot ratio?
- Are there examples of projects, developed by SunCal or other developers, which document changed behavior regarding use of public transportation, improved ridership, etc.?

#### Transportation Commission - October 22, 2008

The purpose of the meeting was to focus community discussion and evaluation on the transportation strategies proposed to support the land use plan. The Transportation Commission had the following comments:

- The Commissioners expressed their general support for the overall content and direction of the transportation strategy and its focus on proven technologies; such as Bus Rapid Transit, shuttles, Car Share and other well known transportation alternatives. They appreciated SunCal's willingness to innovate, listen to the community, and adjust its plans accordingly to address Alameda's priorities and suggestions. Commissioners agreed with SunCal's decision to de-emphasize Personal Rapid Transit (PRT) in the Development Concept.
- Since the transportation program is very conceptual, it is difficult to fully understand or quantify the impact of the land use plan on the transportation network, specifically the Tubes. It will be very important for SunCal to provide more details about each component of the program, the costs and ridership benefits of each component, and the overall traffic impact or benefit of each phase of the transportation strategy so that Alameda will have a clear understanding of the full benefits and potential impacts on the Tubes of the proposed development program.
- The Commissioners expressed their appreciation for "Day One" transportation strategies that are in place when the first houses and businesses are occupied, and encouraged SunCal to fully develop a comprehensive and detailed "Day One" transportation program to attract "transit minded" residents and businesses to Alameda Point.
- One-way streets may not be appropriate at Alameda Point.
- The school may be needed in Phase 1 since the Ruby Bridges School is already at capacity.
- A reexamination of the benefits of AC Transit Route 63 is warranted, and there may be benefits to changing that route to make more efficient use of transit investments by AC Transit and SunCal.
- Locating a transit stop at the oval at the Atlantic Entrance to the site may be problematic if it necessitates a "split" station.
- Serious consideration should be given to market rate pricing for the Ferry Terminal parking lot to maintain an 85% occupancy rate.
- The parking ratios for commercial development need to be carefully considered to provide incentives and support for alternatives to the automobile.
- There is a need for better coordination between the ARUP Estuary Crossing Study and the SunCal transportation plans.
- The West Alameda Business Association needs to be included in future transit routing discussions.

- More work is needed to define and clarify which transit services in addition to the shuttle could be accessed with the “Eco-Pass”.
- For comparative purposes, the Santa Clara corridor would be a good example of a higher density area in Alameda with excellent transit services that might reflect the density and transit services being proposed at Alameda Point. To inform the community, it may be beneficial to examine the transit ridership characteristics of these existing Alameda residents to determine the transit ridership characteristics that might be expected at Alameda Point with similar densities and transit services.
- There should be an analysis of the projected ridership of the proposed BRT system to determine whether the ridership would justify the costs. If the analysis shows that ridership might be low, then SunCal and Alameda should consider other ways to spend transportation funds.
- SunCal and the community should be very clear about both the transportation benefits and potential impacts of the proposed development so that all Alameda residents understand what is being proposed and the implications of the project on the daily commute from the west end of Alameda.

#### Social Services Human Relations Board (SSHRB) – October 23, 2008

The SSHRB meeting provided an opportunity to comment on services to low-income residents, including housing, transit, childcare, and recreational facilities. Board members had the following comments:

- Support was expressed for the 25% affordable housing obligation. If homeowners association costs or special assessments are required as part of the development, these fees should be considered when determining the affordability of units.
- Further consideration should be given to the balance of rental and ownership affordable units. Attention should be paid to the number of units accessible for people with disabilities.
- Consideration of grocery facilities should include an analysis of their affordability for low-income people.
- The Development Concept appears to address transit needs identified in the Board’s Community Needs Assessment. Attempts to locate units within five minutes of transit should consider the walking speeds of seniors and people with disabilities.
- The Eco-Pass should incorporate a sliding scale for low-income residents and people with disabilities.
- There is a need to ensure first source hiring applies to all new employers who occupy the Point. Phasing plans should consider job training and placement programs needed to help meet first source hiring goals.
- A consultant should be hired to facilitate a planning process between SunCal and Alameda Point Collaborative that ensures the relocation of residents from Alameda Point Collaborative, Bessie Coleman Court, and Operation Dignity causes as little disruption as possible and prevents displacement.
- Public spaces should accommodate the needs of people with disabilities by providing benches, smooth and level walking paths, and picnic tables that are wheel chair accessible.

- The Sports Complex should include disability friendly facilities, similar to the Miracle League ball field proposed for the North Housing Parcel.
- There is a need to ensure that west end social service resources are maintained, including the strong collaboration between the Alameda Food Bank, the Alameda Point Collaborative, and American Red Cross-Alameda Service Center.
- As more details become available, there is a need to compare the Social Service Human Relations Board's Community Needs Assessment to the plan.

#### Planning Board - October 27, 2008

The Planning Board meeting provided an opportunity for the Board and the community to review and comment on the land use planning, design, and sustainability aspects of the Concept. The Planning Board made the following comments:

- The Development Concept is a good conceptual plan for Alameda Point and is well done.
- The Development Concept should include design principles about the importance of waterfront design to create a vital, safe, and pedestrian friendly waterfront.
- The Development Concept does a good job of addressing the need for density and the diversity of housing.
- The Development Concept sets very high expectations and SunCal needs to be careful about setting expectations that may not be realistic. SunCal should not "over promise, and under-deliver".
- The phasing of the schools may need to be moved up earlier in the schedule to accommodate growth in enrollment.
- There is a need for a library in the project.
- The analysis of civic facilities should consider a larger area than just Alameda Point. For example, the College of Alameda has a track that is not always available to the community. The Miller School site may be an appropriate location for a new school serving the west end and Alameda Point, in addition to the current Island High facility.
- Co-locating public facilities, such as libraries with schools, will increase the availability of State grants.
- Given that the Sports Complex and the entire northern edge of the site will be in an area that is not protected from floods and is adjacent to a shoreline that may fail in a major disaster, the financial plan should include funds to rebuild public facilities that are damaged in a flood or major disaster.
- The plan should include a phasing schedule for the adaptive reuse area that is coordinated with the phasing for the rest of the project.
- The open space needs to be provided with each phase of the development. The phasing schedule should ensure that there is no net loss of playing fields for soccer leagues. Phase 1 in particular should be carefully considered so that it provides adequate open space.
- Development guidelines and standards are needed to ensure that the highest quality development and a fine-grain mix of uses are provided at the site to the maximum extent feasible.
- The street design and cross-sections, and the emphasis on narrow, calm streets, is very positive. The project should not be constrained by outdated local standards such as the 1965 City Storm Drain Standards referenced in the Infrastructure Chapter.

- Transportation is the biggest issue facing the redevelopment of Alameda Point. The transportation strategy needs more details and more definition about when certain improvements will be constructed and who will pay for them.
- The transportation strategy needs to be “front-loaded” with “Day One” improvements to the maximum extent feasible.
- The BRT proposal could be controversial given what has occurred recently in Berkeley and Oakland with AC Transit’s BRT proposal.
- Regarding the phasing of the Ferry Terminal relocation, increasing the frequency of ferry service from the Main Street Terminal in early phases may be more important than relocating the terminal to the Seaplane Lagoon in the early phases.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

There is no fiscal impact to receiving board and commission comments on the Development Concept or providing feedback on the plan.

#### RECOMMENDATION

This item is for review and comment on SunCal’s Development Concept. No action is required.

Respectfully submitted,



Leslie Little

Development Services Director



By:

Debbie Potter

Base Reuse and Community Development  
Manager

## Alameda Point RAB Meeting on October 2, 2008 Highlights and Analysis

RAB members present: George Humphreys (co-chair), Fred Hoffman, Jim Leach, Dale Smith, Jim Sweeney, Jean Sweeney, and Michael John Torrey

Remediation and other field work in progress:

- debris pile removal along north shore of Seaplane Lagoon
- removal of radiologically impacted storm drain inside Building 5
- expansion of petroleum remediation system near Atlantic Avenue entrance
- groundwater treatment at IR Site 14 (former fire training area in Northwest Territory) and IR Site 26 (Western Hangar Zone)
- the petroleum remediation system at the southern end of the western hangar row is operational and extracting from the ground much more leaked jet fuel than was expected

New RAB meetings: In an effort to prevent overly long RAB meetings, separate technical sub-committee meetings will be held to discuss technical clean-up issues in greater detail. Both the Navy and the environmental regulators will attend the technical sub-committee meetings. This development should foster on-going informed RAB input on the Navy's clean-up plans.

The majority of the RAB meeting was devoted to two topics: (1) IR Site 1 discussions at ARRA Board meetings and (2) Navy clean-up achievements over the last 12 months. Completion of the FOST (Finding of Suitability to Transfer) for PBC-1 (the Sports Complex site) was discussed briefly, including mention of continuing petroleum cleanup there. Below, further details and evaluation are presented on IR Site 1 and on the ramifications of petroleum residues at PBC-1.

### **IR Site 1(1943-1956 Disposal Area)**

Mr. Humphreys detailed the presentations on IR Site 1 at the ARRA Board's September 10 and October 1, 2008, meetings. Dr. Russell then explained the evaluation of the RAB's comment letters on the Proposed Plan for IR Site 1 and the Navy's exploratory trenching into the former disposal area. Dr. Russell prepared the evaluation at the request of the ARRA Board.

The evaluation concerning IR Site 1 breaks new ground by questioning the popular assumption that the site contains a landfill. The most significant points in the evaluation are as follows.

1. The RAB's comment letters are thorough and raise important concerns. The Navy is incorporating many of the RAB's concerns in the remedial design for the landfill.
2. The results of the Navy's exploratory trenching into the former disposal area demonstrate that the IR Site 1 landfill likely is no longer there. Virtually no landfilled waste was found in the eleven trenches, which strongly suggests the landfill has been moved.
3. The landfill site should undergo further investigation before clean-up decisions are made. Trenching and/or boring is needed to evaluate whether any of the landfilled wastes



remain, and, if so, their nature and extent. Sampling and analysis is needed to characterize any chemical or radiological residues in the soil backfilled into the former landfill. With a more accurate understanding of the landfill site, appropriate clean-up alternatives can be identified. For example, the remaining contamination may be so limited that excavation with off-site disposal becomes much more feasible; a smaller or different type of cover may be more appropriate; or wetlands reuse may be possible.

4. The draft ROD (Record of Decision) for IR Site 1 should be finalized for those areas that do not rely on the assumption that the site contains a landfill. Specifically, excavation and off-site disposal of the shoreline burn area and cleanup of the groundwater contamination should be conducted as soon as possible.

The new, no-landfill presumption likely will prolong remedial decisionmaking for portions of IR Site 1, but it has several positive effects.

1. The new presumption breaks the impasse about whether intrusive sampling should be done to characterize the landfill. The ARRA, the RAB, and others want the landfill site characterized before making clean-up decisions. However, the BCT (Navy and the environmental regulators) had tentatively agreed to install a soil cover over the landfill site without further characterization. The BCT reasoned that heterogeneous landfills are difficult to meaningfully characterize by sampling, and a soil cover likely would be appropriate regardless of the sampling results. The BCT had not entertained the possibility that the landfill is no longer present. Now, the compelling evidence from the Navy's exploratory trenching demands that further intrusive investigation be conducted. This work will evaluate whether any landfilled wastes remain and whether the backfilled soil is contaminated. This information is fundamental to reasoned clean-up decisionmaking.
2. The RAB had commented that groundwater should be cleaned up before earthmoving for seismic stabilization of the shoreline is done. The Navy had wanted to conduct the earthmoving first to avoid interfering with the many wells needed for groundwater cleanup. If clean-up decisions for Area 1b are delayed so that supplemental investigation can be conducted, earthmoving along the shoreline will have to be postponed too. However, groundwater remediation should move forward as expeditiously as possible and likely will occur before earthmoving for shoreline stabilization.
3. If further investigation confirms the no-landfill presumption, the City of Alameda will not have any potential liability associated with having a landfill on the land it receives from the Navy.

### **PBC-1 FOST Background**

PBC-1 is the site of the planned Sports Complex along the Oakland Inner Harbor shoreline, west of the former base's north entrance. On September 30, 2008, the Navy issued the FOST for the 60-acre PBC-1. The environmental regulatory agencies concur with this finding.

A FOST is a Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) document that is the basis of the Navy's warrantee "that all remedial action

necessary to protect human health and the environment with respect to any hazardous substance remaining on the property has been taken before the date of transfer.” However, petroleum products are not “hazardous substances” as defined by CERCLA. Accordingly, cleanup of petroleum contamination is not warranted to have been completed by the time of transfer. This is the case with PBC-1.

Due to on-going cleanup of petroleum contamination on PBC-1, the FOST requires the deed to contain a land use restriction protecting monitoring wells and prohibiting deep excavation without an SMP (site management plan) approved by the Navy and regulatory agencies. This land use restriction is applicable to two areas of PBC-1 that are contaminated with petroleum—AOC 23G and CAA-6. Together, these two areas account for about 15 percent of PBC-1, as shown on the figure below from the FOST. The restrictions can be released once the Navy obtains regulatory closure from the Water Board (San Francisco Bay Regional Water Quality Control Board), the responsible regulatory agency.



AOC 23G (Area of Concern 23G) is a former automotive gas station site in the north-central portion of PBC-1. It occupies almost eight percent of the transfer parcel. The Navy has concluded soil and groundwater at AOC 23G is clean enough for the intended reuse. The Water Board concurs with this conclusion and plans to issue a closure letter, unless petroleum contamination in groundwater rises above ecological risk thresholds during four more quarters of monitoring. Thus, prohibitions against digging and damaging monitoring wells at AOC 23G likely can be lifted by the end of 2009.

CAA-6 (Corrective Action Area 6) is a 6-acre former fuel transfer station for trucks servicing aircraft on base. A portion of CAA-6 overlaps the south-central portion of PBC-1, occupying about seven percent of the transfer parcel. The Navy has completed active cleanup of soil and groundwater, but ecological risk thresholds still may not have been met—further investigation is needed of possible contaminant migration to Oakland Inner Harbor through the storm drain system. The Water Board is expected to grant regulatory closure of CAA-6 within five years.

### **Ramifications of Residual Petroleum Contamination on Reuse as the Sports Complex**

The FOST's requirements (that monitoring wells be protected and that an SMP be used during digging) are compatible with future use of PBC-1 as the Sports Complex. Known petroleum residues are of ecological concern with respect to Oakland Inner Harbor but are too low to present unacceptable human health risks with recreational use. According to SunCal's September 19, 2008 *Alameda Point Redevelopment Concept Plan*, AOC 23G will be used for parking, a play area, a lawn area, and a BMX/mountain bike park. CAA-6 will be used for picnic areas, basketball courts, and softball/baseball fields. These uses likely will require digging deeper than six inches to install irrigation systems, storm drain lines, foundations for lighting and fences, sub-base for pavement, etc.

Given SunCal's redevelopment schedule, AOC 23G and CAA-6 likely will be formally closed by the Water Board and the digging and monitoring-well protection restrictions lifted before the Sports Complex is built. But notwithstanding that, an SMP should be a requirement for the reasons discussed below.

All of PBC-1 should be redeveloped using an SMP, even if the FOST does not require it. As with most of Alameda Point, the possibility of unexpected contamination at PBC-1 cannot be ruled out. Historical information about the Navy's activities at Alameda Point is incomplete: no detailed records are available about historical uses of much of the base, for substantial periods. Before environmental awareness became prevalent in the 1970s, chemical spills and environmentally unacceptable practices were not documented. Even where suspected contamination has been investigated, sampling might have missed small hot spots. For example, if minor undetected leaks occurred, small areas of petroleum contamination might be found in CAA-A, a fuel-pipeline corridor that crosses PBC-1 and for which the Water Board has granted formal closure. (This area is the unlabeled yellow corridor in the figure above.) Although the probability of unknown contamination in any particular spot is very low, one or more unexpected hot spots likely will be encountered over the course of base redevelopment. Managing this type of uncertainty is a primary goal of SMPs.

SMPs can be very valuable tools for redeveloping brownfields areas. They coordinate with construction projects' customary health and safety plans to inform workers of the site history, contaminants that potentially are present and their health effects, whom to notify if contamination is encountered, and special procedures for handling contaminated soil and groundwater. SMPs typically allow separate stockpiling of soil that apparently is contaminated with substances associated with the site. This allows construction to continue while the

disposition of the contaminated soil is managed on a separate timeline. If contamination were encountered without an SMP, construction would stop while environmental regulators assess the situation and direct further measures. SMPs often avoid such delays, which can impact construction project schedules.